

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-077-00285R

Parcel No. 00369-186-000

Derek Grittmann,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on November 8, 2019. Derek Grittmann was self-represented, and asked that the appeal proceed without a hearing. Assistant County Attorney Mark Taylor represents the Polk County Board of Review.

Derek and Dawn Grittmann Revocable Trust, and trustees Derek and Dawn Grittmann, own a residential property located at 9849 Clark Street, Clive, Iowa. Its January 1, 2019, assessment was set at \$236,300, allocated as \$42,600 in land value and \$193,700 in building value. (Ex. A).

The Grittmanns petitioned the Board of Review contending their assessment was not equitable as compared with assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition. (Ex. B).

The Grittmanns then appealed to PAAB re-asserting their claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may

consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a two-story home built in 1975. It has 2004 square feet of gross living area, 956 square feet of average-quality basement finish, a patio, an enclosed porch, a deck, and a two-car attached garage. The site is 0.214 acres. The improvements are listed in above-normal condition with a 3-10 Grade (good quality). (Ex. A).

In support of their claim, the Grittmanns listed three neighboring properties that all sold in 2018, which they believe show their property is inequitably assessed. The Board of Review submitted the cost and sale sheets for these properties and they are summarized in the following table. (Exs. F-K).

Comparable	Site Size	Year Built	Grade	Gross Living Area (SF)	Assessed Value	Sale Price	Ratio
Subject Property	0.214	1975	3-10	2004	\$236,300	NA	NA
1 – 1571 NW 93rd Ct	0.252	1972	4+10	1846	\$156,200	\$135,000 ¹	1.16
2 – 9793 Colby Ave	0.219	1975	3-10	2017	\$218,400	\$190,750	1.14
3 – 10393 Clark St	0.276	1978	3-10	1838	\$173,800	\$173,200	1.00

The Grittmanns believe their property should be assessed at \$204,000. (Appeal from Board of Review Action). All of the comparables lack basement finish. Comparable

¹ This property sold again in September 2019 for \$236,000. It appears permits were taken out for updates to the property after the 2018 sale and the 2019 sales price likely consider those improvements.

1 has a Quality grade rating of (4+10), which results in a lower assessment. Further, Comparables 1 and 3 are smaller in gross living area than the subject property, which in turn results in a lower value.

These three properties all have 2018 sales. However, the sales have not been analyzed or adjusted for differences to the subject to form an indication of subject's market value. Sale 1's transaction occurred in December 2018. It appears work permits were taken out and the property was inspected by the Assessor's Office in January 2019. The property subsequently sold in September 2019 for \$236,000. Because improvements were made to the property, possibly prior to the January 2019 assessment, the previous sales price may not be indicative of the subject property's current condition and current value.

The Grittmanns asserted the 2019 assessed value for Comparable 1 had a 21% decrease while the 2019 assessed values for Comparables 2 and 3 remained unchanged. They believe this shows their assessment is not equitable.

The Board of Review believes the properties the Grittmanns submitted are located in close proximity and reasonably similar to the subject property but there are differences between them which account for the differences in assessed values.

Analysis & Conclusions of Law

The Grittmanns contend the subject property is inequitably assessed as provided under Iowa Code section 441.37(1)(a)(1). The Grittmanns bear the burden of proof. § 441.21(3).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). The Grittmanns have failed to show any variation in assessment methodology.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual (2018) and assessed (2019) values of similar properties, the

subject property is assessed at a higher proportion of its actual value. *Id.* This is commonly done through an assessment/sales ratio analysis comparing prior year sales (2018) and current year assessments (2019) of the subject property and comparable properties. It is insufficient to simply compare the subject property's assessed value to the assessments of other properties or to compare the assessed value per square foot amongst properties.

The Grittmanns submitted three properties that all sold in 2018. We note, however, that one of these sales appears to have updates made to it subsequent to its purchase and may not reflect the property's current value. Even considering it, the sales ratios were 1.16, 1.14, and 1.00 for the properties. A ratio higher than 1.00 suggests a property is assessed for more than its market value.

Although the Grittmanns have provided sales ratios for comparable properties, ultimately, the *Maxwell* analysis cannot be completed because it also requires a showing of the subject's value as compared to its current assessment. The subject property has not recently sold, nor did the Grittmanns offer evidence of its January 1, 2019, market value that is consistent with section 441.21.²

Viewing the record as a whole, we find the Grittmanns failed to prove the subject property's assessed value is inequitable.

Order

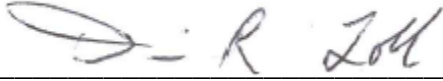
PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

² Iowa Code section 441.21 requires that a property's assessed value be determined, first and foremost, by sales of the subject property or comparable properties.

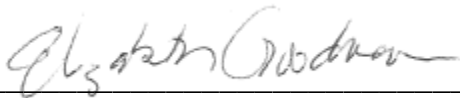
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Dennis Loll, Board Member



Karen Oberman, Board Member



Elizabeth Goodman, Board Member

Copies to:

Derek Grittmann by eFile

Polk County Board of Review by eFile